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AGRICULTURAL COOPERATION

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SMALL ASSOCIATIONS STILL PREDOMINATE

More than one-half of the local cooperative selling and buying associations had memberships ranging below 100 in 1925, according to recently compiled information. A tabulation of reports from 7,730 associations listed with the U. S. Department of Agriculture as independent locals or as units of federations, indicates that approximately 23 per cent of the total number had from 1 to 50 members each, that 29 per cent had from 51 to 100 members each, and that 30 per cent of the associations reporting had from 101 to 200 members. About 10 per cent of the associations had from 201 to 300 members each, and less than 3 per cent of all the associations reported over 500 members each. Eighty-two per cent of all the associations had not more than 200 members each.

Figures for some of the commodity groups indicate that the percentage of organization with small memberships is largest for the fruit and vegetable associations. This is probably because only a few members are needed in the regions covered by the California and Florida citrus federations to furnish business enough to justify a local unit of one of the federations. Sixty-four per cent of the 757 fruit and vegetable associations reporting number of members have below 100 each, and 86 per cent below 200.

Another commodity group with many small associations is the group of organizations marketing dairy products. This is made up largely of creameries and cheese factories. Sixty-one per cent of all the associations in the group have not more than 100 members each, and 85 per cent have fewer than 200 members each.

Of the associations handling grain nearly 50 per cent have over 100 members each, according to the 2,527 reports tabulated. This group consists largely of farmers' elevators. As the preparation of grain for marketing is a much simpler matter than the assembling, grading and packing of fruit, or the making of butter or cheese, the deduction per unit of product which can be made from returns for overhead expenses is small and, therefore, a large volume of product is required that the elevator may be an efficient operating unit.

Of the several commodity groups for which separate tabulations were made, the livestock shipping associations had the least number of small organizations. Only 34 per cent of these shipping associations had fewer than 100 members, and 35 per cent of the associations reported between 100 and 200 members each.

ARIZONA CITRUS ASSOCIATION ANALYZES COSTS

A summary of the business of the Arizona Citrus Growers, Phoenix, for the 1925-26 season shows that members delivered to the association 186,000 boxes of fruit, of which 14,000 were culls, leaving 172,000 boxes of packed fruit. The value of the crop was \$610,000. Prices were reported as "unusually gratifying."

Operating costs, as reported by the management, amounted to 65 cents per packed box, the culls being handled for cost. This figure included depreciation, taxes, interest, and also 8 cents which was the cost of selling a portion of the crop locally. Exclusive of selling expenses, the packing cost was 57 $\frac{1}{4}$ cents.

An assessment of 90 cents as a packing charge was made at the beginning of the season, and after deducting 1 per cent of gross sales the association was able to refund approximately \$33,000 to the growers.

An analysis of the costs for the season, prepared by the association, shows the following figures:

Classification of operating expense	Total amount	Apportioned to culls at 30 cents per box	Packing per box	Selling per box	Total per box
			(Cents)	(Cents)	(Cents)
Packing boxes and material....	\$ 49,544.81		29.008		29.000
Picking or field box material....	478.84	\$ 32.97	.261		.261
Misc. supplies....	470.21	32.37	.256		.256
Growers' supplies.	232.17	15.99	.126		.126
Insurance.....	734.03	50.55	.266	.133	.399
Interest.....	6,430.46	442.98	2.339	1.169	3.508
Taxes.....	2,397.55	165.15	.871	.436	1.307
Labor account.....	33,023.32	2,274.46	15.923	2.080	18.003
Adjustments.....	7.20			.004	.004
Depreciaion on building, 2 $\frac{1}{2}$ %...	1,607.50	110.75	.584	.292	.876
Depreciation on machinery, &c. 10%	2,727.60	187.90	.992	.496	1.488
General overhead..	14,249.37	981.46	5.179	2.589	7.768
Office expense....	3,902.05	268.74	1.418	.709	2.127
Total	\$115,805.11	\$ 4,563.32	57.223	7.908	65.131

NEW RECORDS BY CALIFORNIA FRUIT GROWERS' EXCHANGE

New records were established by the California Fruit Growers' Exchange, Los Angeles, during the business year ending October 31, 1926. Total shipments exceeded those for the 1923-24 season by about 2,000 car loads. Returns, f.o.b. California, amounted to \$70,744,727, including the inventory value of the fruit on hand at the close of the year. The above figure represents a gain in dollars of more than a half million over the next highest year. Shipments by the Exchange for the year were 73.2 per cent of the total citrus fruit shipments from California. Orange and grapefruit shipments amounted to 15,485,011 boxes, and lemon shipments to 4,819,724 boxes. Shipments and f.o.b. returns for the past twelve years are given in the following table:

Season	Exchange shipments			F. o. b. returns
	Oranges and grapefruit *	Lemons	Total	
	(Boxes)	(Boxes)	(Boxes)	
1915-16	9,694,288	2,407,452	12,101,520	\$27,675,923
1916-17	12,835,804	2,656,536	15,492,340	33,478,131
1917-18	6,452,896	2,191,281	8,644,177	36,291,675
1918-19	11,126,985	3,728,110	14,855,095	54,627,557
1919-20	12,371,230	3,452,534	15,823,764	58,968,389
1920-21	* 15,390,105	4,175,239	19,565,344	56,905,877
1921-22	8,121,080	3,496,223	11,617,303	48,445,644
1922-23	14,645,070	3,212,347	17,857,417	55,271,975
1923-24	14,800,069	4,588,211	19,388,280	50,508,184
1924-25	11,967,715	4,176,677	16,144,392	70,236,507
1925-26	15,485,011	4,819,724	20,304,735	70,744,727

* Including a few tangerines.

** Fourteen months, due to change of close of fiscal year from August 31 to October 31.

Cains were made during the last year in the shipments to China, Japan, and the Hawaiian and Philippine Islands. Exports to Australia and New Zealand were resumed following a withdrawal of the embargo against California fruits.

It is estimated by the management that lemon production for the year equalled 18,000 car loads and that the total lemon consumption for the year, including imported lemons, was but 15,300 car loads. The

equal of 3,452 car loads of lemons was handled through the by-products plant operated by the Exchange Lemon Products Company, a separate corporation. This fruit was in addition to the shipments in boxes.

The expense of marketing the fruit shipped was 1.96 per cent of the f. o. b. value. The deduction to cover the expenses of the central exchange was 5.48 cents a box, and the average deduction for the district exchanges' service was 1.38 cents, making a total average deduction for marketing, exclusive of advertising, of 6.86 cents. This was 1.60 cents less than for the preceding year. The deduction for advertising was $4\frac{1}{2}$ cents a box for oranges and grapefruit and 7 cents a box for lemons. This was the same as for the two preceding years.

The 1925-26 advertising program included 99,000,000 individual advertisements in national magazines; 486,000,000 advertisements, featuring hot lemonade, in 275 newspapers; a special newspaper campaign on Sunkist oranges for the holidays in newspapers in 73 cities; an orange campaign in 220 daily newspapers reaching 16,125,296 people; and 150,000,000 advertisements featuring lemons for all-the-year use.

Bulletins, wall charts and colored posters were distributed to persons engaged in educational work as follows: Bulletins to the number of 2,604,780 to domestic science teachers and extension workers; 144,735 dietetic bulletins to nurses, 6,029 wall charts were hung in class rooms, 11,155 colored posters were mailed out, and 1,250 commercial tea rooms were supplied with a series of educational bulletins.

About 25 per cent of the advertising appropriation was used for dealer service work in the United States and Canada. Personal calls were made on 48,682 fresh fruit dealers, 28,796 window displays were installed, 272,948 pieces of display material were distributed, 4,108 fountain displays were arranged, and 218,592 letters were mailed to the trade.

During the year 6,600 Sunkist electric fruit-juice extractors were sold at cost to fountains, hotels, restaurants, clubs, and individuals. The number of extractors now in use is more than 33,600. It is estimated that these extractors increased the demand for oranges and lemons by about 4,000 car loads in the year.

Claims to the number of 8,963 and amounting to \$225,408 were collected during the year.

A considerable portion of the time of the staff of the research laboratory was given to studies connected with the recovery of greater values from that portion of the citrus crop which is unsuitable for packing and shipping.

The Fruit Growers' Supply Company, operated in connection with the Exchange, transacted business during the year to the amount of \$10,296,390. Of this, \$8,292,065 represented purchases by member associations. Increased quantities of fertilizer were handled, also increased quantities of fuel oil for orchard heaters.

PRESIDENT OF INTER-STATE MILK ASSOCIATION REVIEWS HISTORY

A gain of four locals and 1,990 members was reported at the tenth annual meeting of the Inter-State Milk Producers' Association, Philadelphia, Penn., held November 22 and 23. The present membership is 21,820. These members, located in the states of Pennsylvania, Maryland, New Jersey and Delaware, are engaged in supplying fluid milk for the Philadelphia market.

The president of the association in his annual report reviewed the development of the cooperative marketing of milk in Philadelphia which began over 40 years ago. Between 1885 and 1895 there was a strong cooperative movement among milk shippers. Five associations were affiliated with a single sales organization, the name of which was apparently the Dairymen's Protective Association of Pennsylvania and New Jersey. It is stated that a surplus by-product manufacturing plant was in operation during the latter part of the period. However, it was finally abandoned owing to difficulties encountered in the cost of manufacturing.

In 1901 the Milk Shippers' Union was organized. This was a collective-bargaining federation of locals scattered throughout the producing region.

In 1910 the name of the association was changed to the Inter-State Milk Producers' Association. Through an executive committee the association negotiated a monthly price with dealers. Financial difficulties experienced by the members in 1916 brought about a renewed interest in the cooperative effort. The old organization was expanded by adding locals for most of the important sections supplying the Philadelphia market. Many new members were added during the first few months of 1917. By-laws and a form of contract were adopted, and on March 17, 1917, the Inter-State Milk Producers' Association, Inc., was incorporated under New Jersey statutes. In July of the same year headquarters were established in Philadelphia and in the fall of 1919 the "Philadelphia Selling Plan" was adopted, which plan went into effect on January 1, 1920.

According to the statement made by the president of the association, the result of the adoption of the plan has been "to reduce the seasonal variation in production from 30 to 50 per cent in 1919 to less than 10 per cent in 1926."

Among the constructive accomplishments of the association have been the formation of the Philadelphia local of the National Dairy Council and the organization of the quality control department of the Dairy Council. This department maintains a staff of 13 men who are engaged in educational work among the milk producers upon 20,610 dairy farms. A staff of men working under the management of the Inter-State Association checks weights and conducts tests as to grade of milk produced. Eight tests are made each year for each producer.

The growth of the association since 1917 is roughly indicated by the increase in membership, reported as follows:

Year	Number of locals	Number of members	Increase in year
1917	---	4,000	---
1918	---	6,000	2,000
1919	186	10,538	4,538
1920	217	12,538	2,000
1921	244	14,697	2,159
1922	251	15,427	730
1923	264	17,680	2,253
1924	274	19,022	1,342
1925	*275	19,830	808
1926	279	21,820	1,990

* Eleven months.

A factor in maintaining morale among the members has been the monthly publication, the Inter-State Milk Producers' Review, which was started in May of 1920.

In consequence of educational work carried on for the purpose of inducing milk producers to regulate the surplus, it is reported that the amount of surplus milk in the entire association territory averaged less than 10 per cent during the first nine months of 1926.

In concluding his address to the membership the president of the association spoke as follows:

The Inter-State Milk Producers' Association, during the ten years of its existence has returned to its members a price fully as satisfactory as that of any similar marketing association and at the same time has cooperated in economies and business practices that enable the consumers to purchase milk in the Philadelphia milk shed at a consistently lower price than in any other metropolitan area in the east. We view the future with confidence realizing that we are in a position to market our members' milk to their great advantage, to surround the marketing of our members' milk with the maximum amount of protection with regard to proper weighing and testing of milk consistent with good economy. We are in a position to speak with a united voice in legislative and other matters dealing with the welfare of the dairy industry. Back of our officers there stands a democratic and self-governed and loyal body of milk producers, confident and determined that dairy farming in this district shall be an occupation offering those who engage in it a standard of living and advantages equal to that enjoyed by any other group of society.

OHIO SERVICE COMPANY HANDLES MUCH GRAIN

A new high record was set by the grain department of the Ohio Farm Bureau Service Company, Columbus, when it merchandised 1,450,000 bushels of grain in the nine months ending September 30. This quantity included 890,000 bushels of wheat, 240,000 bushels of corn, and 320,000 bushels of oats.

This grain was purchased from about 150 country elevators, and was sold to about 100 buyers, including dealers in terminal markets, exporters, millers, and interior buyers. It is estimated that 80 per cent was purchased from farmer-owned elevators. As grain was purchased from elevators with which the grain department had never dealt before, and sold to buyers who had never before purchased from the company, it is anticipated that these new contracts will result in increased business in the future.

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FORT WORTH OFFICE FOR TEXAS WHEAT GROWERS

From the beginning of the operations in the fall of 1922 to the close of the 1925-26 season the Texas Wheat Growers' Association, Amarillo, handled 4,200,037 bushels of wheat. It returned to its members-growers \$4,597,810 after the expenses of marketing had been deducted. The number of bushels handled and the amount paid growers for the several years were as follows:

Season	Wheat received		Paid growers
	(Bushels)	(Relative)	
1922-23	218,521	100	\$ 214,235
1923-24	1,210,490	554	996,729
1924-25	2,429,208	1111	2,911,537
1925-26	341,818	157	475,309

During the 1923-24 season grain was received from 65 different stations; in 1924-25 from 108 stations and in 1925-26 from 48 stations.

For the first four years of the life of the organization, the marketing was done through the Southwest Wheat Growers' Association, a sales agency maintained by the Texas and Oklahoma associations. Since the beginning of the present shipping season the association has been operating independently, with its own sales office at Fort Worth, Texas. Up to November 6 of this year, 3,162,000 bushels of wheat of the 1926 crop had been received.

(See Agricultural Cooperation for November 8, 1926, p. 445.)

COST OF MARKETING SOUTH CAROLINA POOL COTTON

The cost of marketing short staple cotton of the crop of 1925 through the South Carolina Cotton Growers' Cooperative Association is reported by the management as \$6.26 a bale. The items making up the total are given as follows: Interest, \$1.32; insurance, \$0.40; compression, \$0.23; storage, \$1.52; handling, \$0.54; overhead, \$1.95; Growers' Exchange, \$0.30.

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TEXAS ASSOCIATION INCREASES ADVANCE ON COTTON

The authorized advance on cotton delivered to the Texas Farm Bureau Cotton Association, Dallas, has been increased from \$30 a bale to \$40 for cotton grading strict low middling or above, 500 pounds or more to a bale. Members who have delivered cotton on the basis of \$30 a bale will have their advance increased automatically as soon as the grade is determined.

The refund of the reserve fund begins with the present year, and growers will receive during the year the amounts deducted from their returns during the first year of operation, five years ago.

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FACILITIES OF OKLAHOMA ASSOCIATION USED IN HOLDING COTTON

By means of an agreement between the Oklahoma Cotton Growers' Association, Oklahoma City, and the committee of bankers representing the finance corporation formed to aid in holding 400,000 bales of Oklahoma cotton off the market, a definite plan is already in operation and cotton is being delivered to the storage pool.

Under the plan agreed upon, the facilities of the association are utilized for receiving the cotton, paying the agreed advance, warehousing, insuring, and later selling the cotton withheld. Any grower wishing to place his cotton in the storage pool may do so by signing the association's marketing contract for the 1926 season only, and will not be required to pay any membership fee. However, if he signs a contract on this basis all of his cotton must go into the storage pool. In case he wishes to ship any cotton to be sold in the regular pools, he must sign the regular agreement for the two remaining years of the contract and pay the membership fee of \$10.

An advance of 8 cents a pound will be made on storage cotton, with a maximum of \$40 a bale on picked cotton. Receiving agents at practically every point have full instructions for handling cotton consigned for the holding pool. It will be held for such period as may be agreed upon later by the association and the committee of bankers.

BURLEY ASSOCIATION SUMMARIZES FIVE YEARS' WORK

A summary of the operations of the Burley Tobacco Growers' Cooperative Association, Inc., Lexington Ky., in handling five crops of tobacco for the years 1921 to 1925, has been compiled from the auditor's report as of August 31, 1926. This association serves over 100,000 growers of Burley tobacco in Kentucky, Ohio, Indiana, West Virginia, Tennessee and Missouri. It began operating in November of 1921. Total sales have amounted to \$155,881,888, and expenses, including dividends on stock and interest on bonds of district warehousing corporations, have amounted to \$17,512,380, or about 11 per cent of sales. Members have been paid the sum of \$141,699,122, or 90.9 per cent of sales. The above payments to members include advances on unsold tobacco to the amount of \$7,186,595. Certain details of the five years' business are indicated in the following table:

Crops	Pounds received	Sales	Members' equity	Reserves*
1921	119,914,613	\$ 26,271,514	\$23,846,937	\$397,585
1922	197,009,743	52,218,341	49,942,773	515,977
1923	245,443,006	**48,882,697	42,300,634	***488,827
1924	171,403,690	**35,983,065	32,919,249	***358,930
1925	135,574,125	**25,473,568	22,947,463	***254,736
Total	869,345,177	\$188,739,185	171,957,056	\$2,016,055

*Capital investments by members. **Including inventories as estimated August 31, 1926. ***Estimated.

Selected data regarding prices per pound for five years that the association has been operating are shown below:

Average prices per pound, green weight*				
Year	Sales and inventories**	Expenses	Members' equity	Reserves***
	(Cents)	(Cents)	(Cents)	(Cents)
1921	21.09	1.20	19.89	.33
1922	26.28	.93	25.35	.26
1923	19.01	1.77	17.24	.20
1924	20.41	1.21	19.20	.21
1925	18.20	1.27	16.93	.19

*Including tobacco sold, and the unsold tobacco inventoried, August 31, 1926. ** Less costs of redrying and prizing.

***Members' investment in marketing association.

A special statement prepared to show the cost of redrying tobacco of the crops of 1922, 1923, 1924 and 1925, presents an estimate of the savings effected by the association in performing this service for its members instead of hiring the tobacco redried by outside interests.

In handling the 1922 crop the association operated five redriers, in which approximately 72 per cent of the total redrying was done, in 1923 it operated eight redriers and cared for 66 per cent of the total. In both years the remainder of the redrying was done on contract at an average cost of \$1.25 per hundred pounds. During 1924 four more redrying plants were installed and all the redrying of the 1924 and 1925 crops was handled in the twelve plants.

Some of the figures for the last three years are as follows:

Year	Pounds redried	Redrying at \$1.25 per 100 lbs.	Total cost of redrying*	Estimated savings**
1923	112,853,500	\$1,410,669	\$ 851,020	\$492,348
1924	92,347,150	1,154,339	774,006	297,548
1925	70,008,830	875,110	631,849	164,876
Total	275,209,480	\$3,440,118	\$2,256,875	954,772

*Including labor, material, salaries, repairs, insurance, rentals, interest, taxes, depreciations, etc.

**Before determining savings, a deduction amounting to 8 per cent of the net investment in redrying plants was made.

The estimated saving is derived by crediting the redrying plants with \$1.25 for each 100 pounds of tobacco handled, this being the contract price for the tobacco redried outside of the association. There was also deducted before determining savings an amount representing 8 per cent on the net investment in redrying plants. These estimated savings amount to approximately as much as the depreciated value of the drying plants.

A consolidated balance sheet for the district warehouse corporations created as subsidiaries gives the net value of buildings, equipment, land and railroad sidings as \$6,284,125 on August 31, 1926. The bonds outstanding on that date amounted to \$1,679,700 and there was preferred stock outstanding to the amount of \$3,993,920. Common stock had been issued to the amount of \$146,180.

CHART AND COMPASS ARE ESSENTIAL

Chart and compass mean no more to the mariner than should financial statements and compilations of statistical data to the manager of a cooperative enterprise. The sailor would be lost without chart and compass to assist him in keeping his course and in avoiding reefs and shoals which hold the prospect of shipwreck. The compass indicates which way he is headed and the chart what others sailing the same course have found.

Financial statements tell the manager of a cooperative where he is now, whether he is headed toward success or toward failure, and when compared with similar statements prepared at other times give rather definite information as to the speed with which the journey is being made. Other statements may give information as to the experience of others who have followed similar courses, and indicate the significance of the various ups-and-downs experienced by them.

Sailors do go to sea without compasses and charts, and men often attempt to direct cooperative enterprises without adequate information to guide them in their efforts. Not all compassless sailors are shipwrecked, nor or all cooperatives fail which are conducted by inadequately informed managers. There are exceptions to all rules in which the conduct of human beings is a vital factor. However, wisdom dictates that precautions be taken which will tend to ensure against shipwreck and failure.

Dependable financial statements are the result of careful and adequate bookkeeping, and reliable statistical data can be obtained only by industriously collecting and tabulating detailed information, and then using the significant facts as a guide in the operation of the business.

The first consideration in securing the information essential for the proper management of a cooperative is an accurate and complete set of original records, designed especially to meet the needs of the particular enterprise. The second consideration is a group of ledger accounts which bring out clearly the essential facts. With such records it is possible to construct statements that will be of inestimable value to the management in formulating and carrying out policies.

It is argued frequently that the expense of keeping such records and preparing the needed reports is too great, even though it is admitted that management without the facts is a haphazard matter. It is certain that the failure of the business would be much more expensive, and lack of the essential facts is only inviting, even hastening, the failure. Expensiveness can be measured accurately only by comparison with results obtained. Consideration of only the amount of money spent is like considering the price of a railroad ticket without taking into account the distance traveled.

No management should consent to assume the responsibilities of directing a business enterprise without the information necessary to guide it. If the information is not at hand, steps should be taken at once to see that the defect is remedied.

LANDLORD MUST DELIVER HIS SHARE

In Texas Farm Bureau Cotton Association v. Kyle, 281 S. W. 629, the Court of Civil Appeals of Texas held that the defendant, a landlord, who has leased his land on a share basis and was entitled to receive his share in cotton, was obligated to market his share through the association, because the marketing contract signed by him required him to sell to the association all cotton produced or acquired by him. It appeared that the landlord entered into an agreement with his tenants under which all of the cotton was sold and the money then divided on a share basis; but the court held that this was not material, as it was "only a convenient method of dividing the crops."

L. S. Hulbert.

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SCOPE OF DARK TOBACCO CHARTER CONSIDERED

In Brame et al. v. Dark Tobacco Growers' Cooperative Association, the Court of Appeals of Kentucky, 278 S. W. 597 considered the scope of the charter of the association and held that the language of the charter coupled with the practical interpretation which the association had placed thereon showed that the association under its charter was authorized only to handle dark tobacco, and that it had no authority to handle Burley tobacco.

The suit was brought by the association for the purpose of compelling the defendants to deliver Burley tobacco grown by them to the association. In the charter, whenever the class of tobacco to be delivered was mentioned, reference was made to dark tobacco, or some type of dark tobacco, and therefore the court was of the opinion that, when the general word "tobacco" was used in the charter, it was intended to refer to dark tobacco, following the rule that "where an enumeration of specific things is followed by some more general word or phrase, such general word or phrase is to be held to refer to things of the same kind."

Again, the association had no facilities for receiving and handling Burley tobacco, but had entered into an agreement with the Burley Tobacco Growers' Association under which such tobacco would be "receipted and paid for by the Dark Association at values fixed by the Burley Association, which will have entire control and

disposition thereof, though neither the Dark Association nor the producer is a member of the Burley Association, or has any voice in the selection of its directorate. This is not in accordance with the letter or spirit of the charter or association agreements."

In view of the foregoing, the court of appeals reversed the trial court, thus holding against the association.

L. S. Hulbert.

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IDAHO COURT HOLDS NOTICE OF EXERCISE OF OPTION NECESSARY

In Idaho Grimm Alfalfa Seed Growers Association v. Stroschein, 242 P. 444, decided by the Supreme Court of Idaho, it appeared that the defendant, together with a number of other farmers growing Grimm alfalfa seed, entered into a contract which contemplated that, if farmers representing at least 60 per cent of the Grimm alfalfa seed acreage in Bingham County, Idaho, signed the agreement, an association would be formed for the marketing of the same. This contract contained a marketing agreement covering the years 1921 to 1925 and a paragraph in the contract provided that:

(14) (a) The subscriber agrees: (1) to execute, when requested by the association, a marketing agreement in terms substantially the same as those set forth in the agreement herewith embodied; or (2) at the option of the board of directors, to be bound by the terms of the following marketing agreement.

For such purpose signature to this association contract shall be deemed to all effects the same as signature to said marketing agreement and as acceptance of each and every provision hereof and herein as of the date of the exercise of such option by the board of directors. Notices thereof shall be mailed to each subscriber at his address....

The association was formed, but it failed to give the notice referred to in the foregoing quotation. It was admitted that defendant was a member of the association.

The defendant delivered his 1921 crop of alfalfa seed, but refused to deliver his 1922 crop of alfalfa seed. The association then brought suit to require the defendant to perform specifically the marketing agreement set forth in the contract referred to above, and also sought damages from the defendant. He defended on the ground that the association had never exercised the option given it in the quotation set forth above.

The association contended that he had waived his right to insist upon a notice because of the delivery of his 1921 crop of alfalfa seed and because he had attended meetings of the association and actively participated in its affairs.

In answer to the claim that he had waived the right to receive the notice, the court said in part:

If the option to bind the members to the marketing agreement embodied in the association agreement was exercised by the board of directors, respondent was entitled to notice, and the directors were required to give him notice. The board, not having given any notice, thereby failed to exercise its option to purchase, and respondent, not being entitled to notice unless the board exercised its option, had no right that he could waive.

Under the circumstances, the Supreme Court affirmed the judgment of the lower court against the association. Two of the justices dissented, holding that the defendant had waived the right to receive the notice. It is submitted that by the terms of the language quoted above it is plain that the defendant agreed to execute a marketing agreement like that embodied in the preorganization contract, or else to be bound by the terms of the marketing agreement set forth in the contract.

The so-called option, it is submitted, was not an option for the purpose of determining whether the association would enter into a marketing agreement at all with the defendant, but the option was simply one which gave the association the right to determine if it would enter into a separate marketing agreement with the defendant or avail itself on the one embodied in the preorganization contract. The only factor left in doubt was the time when the "marketing agreement" would become effective. This factor it is submitted was resolved by the delivery of the 1921 crop of seed.

L. S. Hulbert.

DEVELOPMENT OF COOPERATION IN PENNSYLVANIA

Cooperative selling and buying has been gaining in volume in Pennsylvania during the last five years, according to statistical information compiled by the State Bureau of Markets. A special cooperative law was enacted in 1919 with a provision that associations organized under the statute should file copies of their annual audits with the Secretary of Agriculture. During the first eighteen months that the law was in force, only 25 associations incorporated under its provisions. However, by the close of 1925, charters had been issued to 290 associations. Of this number 177 were local units of the Dairymen's League Cooperative Association of New York, and 113 were separate marketing organizations.

Information compiled from the reports filed with the Secretary of Agriculture indicates that the sales for fifty active associations in 1922 amounted to \$2,173,889. This was an average of \$43,478. Seventy-six associations in 1925 reported sales amounting to \$3,707,686, or an average of \$48,785 per association. The figures for the several years from 1922 to 1925 were as follows:

Year	Number of associations	Sales	Average sales per association
1922	50	\$2,173,889	\$43,478
1923	70	2,695,232	38,503
1924	73	3,569,225	48,893
1925	76	3,707,686	48,785

For 36 of the associations, reports covering sales are on file for each of the four years, 1922 to 1925. During this period the total sales for these associations increased by more than 220 per cent, as will be noted by the figures in the following table:

Year	Sales	Relative
1922	\$ 532,488	100
1923	1,087,688	204
1924	1,519,808	285
1925	1,723,000	324

It is estimated by the State Bureau of Markets that the associations operating under the cooperative law, and the six interstate associations serving Pennsylvania farmers, had a membership within the state at the close of 1925 of 41,990. These figures indicate that about one-fifth of the farms of the state were being served by cooperative selling and buying associations.

AN ASSOCIATION OF COOPERATIVE ACCOUNTANTS

A conference of cooperative accountants was held recently in the offices of the American Farm Bureau Federation, Chicago. For two days the accountants made an intensive study of legal and economic problems pertaining to the business of cooperative associations, and methods of making records of transactions. It was decided to form a permanent organization, the Associated Agricultural Accountants. Officers were chosen and an organization committee selected.

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WINTER PROGRAMS PLANNED FOR MISSOURI FARMERS' CLUBS

In the firm belief that "the Farm Club is the most important and the most vital factor in the whole structure" of its organization, the Missouri Farmers' Association, Columbia, Mo., has issued a Special Winter Program Bulletin for the use of local clubs. In addition to many general suggestions for the benefit of the program committee, lists of plans and songs are given, a list of questions for discussion with sources of information, a list of questions for debate, a list of motion pictures, a suggested program, and other material.

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GEORGIA TO HAVE SCHOOL OF COOPERATIVE MARKETING

A new type of short course is to be given at the Georgia State College of Agriculture, Athens, January 25 to 28, when four days will be devoted to a course in cooperative marketing. Arrangements are being made by the Georgia State College in cooperation with the Division of Cooperative Marketing of the U. S. Department of Agriculture and various cooperative associations of the South.

This is one of the first schools of the kind and the program has been planned for officials, directors and employees of associations, country agents, agricultural workers, bankers, and other persons interested in the problems and progress of cooperative marketing.

Among the subjects included in the program will be: recent developments and present trends in cooperative marketing, the business set-up of cooperatives, financing the production and cooperative marketing of cotton, price factors, duties and responsibilities of managers and directors, problems of Georgia cane growers, cooperative marketing of peaches, inspection and standardization of Georgia watermelons, and the cooperative marketing of fruits and vegetables.

It is anticipated that this school will be followed by others of similar character, in which the Department of Agriculture will work closely with the colleges and associations in teaching cooperative principles and practices and in bringing about a better understanding of cooperative activities.

REPORTED BY THE ASSOCIATIONS

A credit association has been set up by the Kansas Wheat Growers' Association, Wichita, for the purpose of making loans to members on the basis of their equities in the 1926-27 wheat pool. The new organization is the Kansas Wheat Growers' Loan Association.

The membership of the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, was increased by 2,673 in the one month of September. These 2,673 new members signed up wheat acreage amounting to 357,719 acres. In addition, 496 contracts for the coarse grains pool were received, covering 40,000 acres of oats, barley, flax and rye.

From May to October, 1926, the membership of the Washington Cooperative Egg and Poultry Association, Seattle, increased from 5,697 to 6,368. The members own poultry valued at \$3,500,000 and operate farms of more than 98,000 acres. In 1925 the flocks included \$1,200,000 growing pullets, 600,000 growing cockerels and 48,200 mature male birds.

"How Does a Consumers' Cooperative Differ From Ordinary Business?" is the title of a two-page leaflet issued by the Educational Committee of the Franklin Cooperative Creamery Association, Minneapolis. Among the subjects discussed briefly and concisely are the following: The purpose, the voting power of shareholders, distribution of earnings, admission of new "partners," setting prices at market rates and paying rebates, keeping stock at par, rebates to nonmembers.

A dividend of 8 per cent has been declared on the outstanding capital stock of the Eastern States Company, Columbus, Ohio. As this stock is held by the cooperative livestock sales agencies operating in the terminal markets and the Ohio Livestock Cooperative Association, the dividends will eventually reach the livestock producer either in the form of better services or reduced costs of operation. The Eastern States Company is a service organization maintained to assist the sales agencies and members of the Ohio Livestock Cooperative Association in marketing special lots of livestock.

Announcement is made by the management of the Mutual Orange Distributors, Redlands, Calif., that the direct shipment of citrus fruit from Los Angeles harbor via the Panama Canal is a success. The first trial shipment was made by the association in March, 1921, when 2,000 boxes were forwarded. During the 1923-24 season 42,900 boxes were sent in 14 consignments, and during the season just closed, 58,500 boxes were shipped. The sailing schedule from Los Angeles to the United Kingdom is 28 days. Several boats have been equipped to furnish proper refrigeration service.

NEW VOLUME TELLS OF CANADIAN ORGANIZATIONS

"A History of Farmers' Movements in Canada," by Louis Aubrey Wood, a volume of 372 pages, the Ryerson Press, Toronto, traces the organized efforts of the Canadian farmers since 1872, showing their effect on the social, political and economic life of the Dominion. Each movement is traced from its infancy. "The author's aim has been to show the Canadian farmer struggling for self-expression through organization and toward an adequate defense of his industry."

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PENNSYLVANIA MARKETS BUREAU STUDIES COOPERATIVES

"Cooperative Buying and Selling Among Farmers," is the title of General Bulletin No. 429 of the Pennsylvania Department of Agriculture. H. Andrew Hanemann, of the Bureau of Markets, is the author. The subdivisions are: "Growth of cooperative effort;" "Accomplishments of cooperatives in Pennsylvania: How these accomplishments were achieved;" "Opportunities for cooperatives in Pennsylvania." The activities of some of the large organizations are described, their policies outlined, and the text of the cooperative marketing act of 1919 is given in full.

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NEW COOPERATIVE JOURNAL MAKES APPEARANCE

A new monthly publication, "The Cooperative Marketing Journal," appeared under date of December, 1926. The contents of the first number are as follows: "Tennessee's New Cotton Contract," by Walton Peteet; "The Growth of Cooperative Law," by E. G. Nourse; "Cooperatives and Price Control," by O. B. Jesness; "When the Member Supports Sound Practices," by A. F. S. Steele; "Management of Cooperative Associations," by Chris L. Christensen; "A Proposal for a New National Council," by Robin Hood; "A Quarter Century of Cooperative Development," by R. H. Elsworth. It is stated that the columns of the new magazine will be devoted largely to presentation of research studies in the field of cooperative marketing, for the benefit of officers and directors of cooperative associations, and other interested persons. Walton Peteet and Robin Hood are the editors, and the publication office is Investment Building, Washington, D. C.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Colquette, R. D. Pools Complete Another Year's Activities. Grain Growers' Guide, Winnipeg, Manitoba, November 1, 1926, p. 3.
- Corey, Merton L. Wall Street Welcomes the Cooperative: Proper Financing Points the Way to Successful Marketing. Country Gentleman, Philadelphia, December, 1926, p. 11.
- Coverdale, J. W. The Agricultural Problem, Congress and the Farmer. Address before Thirtieth Annual Convention, Grain Dealers' National Association. Cooperative Manager and Farmer, Minneapolis, November, 1926, p. 32.
- Downie, Ernest R. Who Pays for Local and Terminal Elevators? Kansas Wheat Grower, Wichita, November 15, 1926 p. 7.
- Hanemann, H. A. The Interstate Milk Producers' Association. Keystone Cooperation, Harrisburg, Pa., November, 1926, p. 3.
- Horace Plunkett Foundation, The. A Student's List of Works on Cooperation (Agricultural and Industrial) and Some Allied Subjects. 20 p. Cooperative Reference Library, London, 1926.
- Meyer, Werner P. Beating the Milk Surplus. Farm Journal, Philadelphia, December, 1926, p. 34.
- Nesom, G. E. Mississippi Cotton Co-op Reorganizes. Southern Ruralist, Atlanta, Ga., November 15, 1926, p. 366.
- The Pool and the Price. Editorial. Western Producer, Saskatoon, Saskatchewan, November 11, 1926, p. 4.
- Primary Producers' Organization and Marketing Bill of 1926: A Reorganized Q. P. A. Queensland Producer, Brisbane, Australia, October 13, 1926, p. 4.
- Smith, D. L. Pool Facts and Wheat Prices. Western Producer, Saskatoon, Saskatchewan, November 11, 1926, p. 7.
- Taber, L. J. Disadvantages of Agriculture are Increasing. Present Day Civilization is a Challenge to Farmers to Organize. Kansas Wheat Grower, Wichita, November 15, 1926, p. 4.
- Waldron, W. The British C. W. S.: The World's Largest Cooperative. Grain Growers' Guide, Winnipeg, Manitoba, November 1, 1926, p. 24.

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